

One Hundred Sixth Congress  
of the  
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday,  
the twenty-fourth day of January, two thousand*

An Act

To amend chapter 36 of title 39, United States Code, to modify rates relating to reduced rate mail matter, and for other purposes.

*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

**SECTION 1. SPECIAL RATEMAKING PROVISIONS.**

(a) ESTABLISHMENT OF REGULAR RATES FOR MAIL CLASSES WITH CERTAIN PREFERRED SUBCLASSES.—Section 3622 of title 39, United States Code, is amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following:

“(c) Regular rates for each class or subclass of mail that includes 1 or more special rate categories for mail under former section 4358 (d) or (e), 4452 (b) or (c), or 4554 (b) or (c) of this title shall be established by applying the policies of this title, including the factors of section 3622(b) of this title, to the costs attributable to the regular rate mail in each class or subclass combined with the mail in the corresponding special rate categories authorized by former section 4358 (d) or (e), 4452 (b) or (c), or 4554 (b) or (c) of this title.”.

(b) RESIDUAL RULE FOR PREFERRED PERIODICAL MAIL.—Section 3626(a)(3)(A) of title 39, United States Code, is amended to read as follows:

“(3)(A) Except as provided in paragraph (4) or (5), rates of postage for a class of mail or kind of mailer under former section 4358 of this title shall be established in a manner such that the estimated revenues to be received by the Postal Service from such class of mail or kind of mailer shall be equal to the sum of—

“(i) the estimated costs attributable to such class of mail or kind of mailer; and

“(ii) the product derived by multiplying the estimated costs referred to in clause (i) by the applicable percentage under subparagraph (B).”.

(c) SPECIAL RULE FOR NONPROFIT AND CLASSROOM PERIODICALS.—Section 3626(a)(4) of title 39, United States Code, is amended to read as follows:

“(4)(A) Except as specified in subparagraph (B), rates of postage for a class of mail or kind of mailer under former section 4358 (d) or (e) of this title shall be established so that postage on each mailing of such mail shall be as nearly as practicable 5 percent lower than the postage for a corresponding regular-rate category mailing.

“(B) With respect to the postage for the advertising pound portion of any mail matter under former section 4358 (d) or (e) of this title, the 5-percent discount specified in subparagraph (A) shall not apply if the advertising portion exceeds 10 percent of the publication involved.”.

(d) SPECIAL RULE FOR NONPROFIT STANDARD (A) MAIL.—Section 3626(a) of title 39, United States Code, is amended by adding at the end the following:

“(6) The rates for mail matter under former sections 4452

(b) and (c) of this title shall be established as follows:

“(A) The estimated average revenue per piece to be received by the Postal Service from each subclass of mail under former sections 4452 (b) and (c) of this title shall be equal, as nearly as practicable, to 60 percent of the estimated average revenue per piece to be received from the most closely corresponding regular-rate subclass of mail.

“(B) For purposes of subparagraph (A), the estimated average revenue per piece of each regular-rate subclass shall be calculated on the basis of expected volumes and mix of mail for such subclass at current rates in the test year of the proceeding.

“(C) Rate differentials within each subclass of mail matter under former sections 4452 (b) and (c) shall reflect the policies of this title, including the factors set forth in section 3622(b) of this title.”.

(e) SPECIAL RULE FOR LIBRARY AND EDUCATIONAL MATTER.—Section 3626(a) of title 39, United States Code, as amended by subsection (d) of this section, is amended by adding at the end the following:

“(7) The rates for mail matter under former sections 4554

(b) and (c) of this title shall be established so that postage on each mailing of such mail shall be as nearly as practicable 5 percent lower than the postage for a corresponding regular-rate mailing.”.

## **SEC. 2. TRANSITIONAL AND TECHNICAL PROVISIONS.**

(a) TRANSITIONAL PROVISION FOR NONPROFIT STANDARD (A) MAIL.—In any proceeding in which rates are to be established under chapter 36 of title 39, United States Code, for mail matter under former sections 4452 (b) and (c) of that title, pending as of the date of enactment of section 1 of this Act, the estimated reduction in postal revenue from such mail matter caused by the enactment of section 3626(a)(6)(A) of that title, if any, shall be treated as a reasonably assignable cost of the Postal Service under section 3622(b)(3) of that title.

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(b) TECHNICAL AMENDMENT.—Section 3626(a)(1) of title 39, United States Code, is amended by striking “4454(b), or 4454(c)” and inserting “4554(b), or 4554(c)”.

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*